

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0943-01
Bill No.: HB 549
Subject: Boats and Watercraft; Business and Commerce; Transportation
Type: Original
Date: March 18, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
None			
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
None			
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Attorney General** assume the costs of the proposed legislation could be absorbed within existing resources.

Officials from the **Office of State Courts Administrator** assume the proposed legislation would have no fiscal impact on the courts.

Officials from the **Department of Economic Development** assume the proposed legislation would have no fiscal impact on their agency.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Local Government

FY 2004
(10 Mo.)

FY 2005

FY 2006

\$0

\$0

\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

The proposed legislation would prohibit marine manufacturers from terminating or renewing a dealership agreement or substantially changing the competitive circumstances of a dealership without good cause. The proposal spell out circumstances that are considered good cause.

Manufacturers would be required to provide a notice at least 120 days prior to any termination, cancellation, or nonrenewal of a dealership agreement. A dealer would have 120 days to cure any claimed deficiency. A dealer would be required to provide notice of intent to cure deficiencies within the 120-day period. Termination would take effect 30 days after the dealer's receipt of the manufacturer's notice, unless the dealer has new inventory on hand. In that case, upon dealer request, it would take effect upon the sale of the remaining inventory but no later than 120 days from the manufacturer's notice of termination.

Dealers could terminate a dealer agreement at any time by giving written notice to the manufacturer at least 90 days prior to the effective date specified for termination.

On change of ownership, dealers would be required to give a 30-day written notice to the manufacturer. Manufacturers could not refuse a proposed change or sale and could not disapprove or withhold approval unless the manufacturer could show its decision is based on a reasonable criterion such as business experience, moral character, financial qualifications, or criminal record. Manufacturers would have 30 days to provide written notice of rejection of a proposed change or sale.

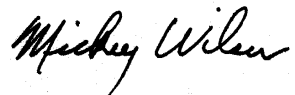
The proposal would provide for legal action upon unlawful termination or failure of renewal of a dealership.

This legislation is not federally mandated, would not duplicate any other program and would not

require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Attorney General
Office of State Courts Administrator
Department of Economic Development

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
March 18, 2003